



As the District Court for the Eastern District of Louisiana explained:

Normally, a vessel must be arrested in order for a federal district court to obtain in rem jurisdiction over it. See Cactus Pipe & Supply Co. v. M/V Montmartre, 756 F.2d 1103, 1107 (5th Cir.1985). Nevertheless, the Fifth Circuit has held that a traditional letter of undertaking is sufficient to perfect in rem jurisdiction in the absence of the arrest of the vessel. See Panaconti Shipping Co. v. M/V Ypapanti, 865 F.2d 705, 707 (5th Cir.1989), citing Continental Grain Co. v. Federal Barge Lines, Inc., 268 F.2d 240 (5th Cir.1959). “A traditional letter of undertaking provides that, in consideration of the vessel not being seized and released on bond, the vessel owner will file a claim to the vessel and pay any judgment rendered against the vessel even if the vessel itself is subsequently lost.” Panaconti, 865 F.2d at 707-08, citing Cactus Pipe, 756 F.2d at 1107. In Panaconti, the Fifth Circuit held that because a stipulation between the parties shared the salient characteristics of a traditional letter of undertaking, the court had in rem jurisdiction over the vessel. See Panaconti, 865 F.2d at 708. First, the stipulation expressly stated that one of its purposes was to avoid the arrest of the vessel and did not state that the vessel owner would abandon its action in rem. See id. Thus, the stipulation waived attachment of the vessel rather than the action against the vessel. Second, the stipulation provided security for the parties' claims and thus satisfied the need for security in lieu of possession of the actual vessel. See id. Last, the owner of the vessel agreed to litigate the dispute in the forum chosen by the parties. See id. Thus, the court found that the stipulation was sufficient to preserve the district court's in rem jurisdiction. See id.

Siberla Marine Ltd. v. Western Team, 1999 WL 997492, \*1 (E.D.La. Oct. 29, 1999). That court concluded that the owners provided all the necessary guarantees to appear and that the stipulation could only be interpreted as waiving the requirement of attachment of the vessel. Although the stipulation in Siberla Marine did not expressly state that the owner would file a claim, the stipulation waived attachment of the property and provided security for the parties' claims.

In this case, the stipulation stated that without waiving any claims, defenses, or

---

pursuant to Fed.R.Civ.P.] 4 and, at the same time, attach its property through Supplemental Rule B.” citation and internal quotations omitted). The court does not find it necessary to address the validity of the above premise at this time because plaintiff appears to seek only in rem jurisdiction.

objections, plaintiff and Mobile DRI agree to the posting of a bond in lieu of seizure. (Doc. 8). The bond is substituted for the property itself. As such, the court finds that in rem jurisdiction was perfected by the stipulation and posting of the bond with this court.

If a writ of attachment had been executed against the in rem property, then a person who claims an ownership interest in the property must generally file a verified statement of interest within 10 days after the execution of process pursuant to Rule C(6)(b). However, because in rem jurisdiction was obtained through stipulation and bond, it is unclear whether the deadlines mandated by Rule C(6)(b) apply to this case. The parties did not stipulate that Mobile DRI would file a claim of ownership by a certain date; nor did the stipulation refer to the requirements of Rule C(6)(b). Upon consideration, the court finds it appropriate to order Mobile DRI to file a verified statement of right or interest.

### **CONCLUSION**

Accordingly, plaintiff's motion to reconsider (Doc. 64) is **GRANTED** to the extent that the court finds that in rem jurisdiction was perfected by the filing of the stipulation and bond. Mobile DRI Equipment Company, Inc. is hereby **ORDERED** to file, on or before **September 22, 2006**, a verified statement of right or interest.

Based on the above ruling, the court finds that plaintiff's motion for leave file an interlocutory appeal (Doc. 61) and motion to preserve security (Doc. 63) are **MOOT**.

**DONE and ORDERED** this 8<sup>th</sup> day of September, 2006.

/s/ Callie V. S. Granade  
CHIEF UNITED STATES DISTRICT JUDGE